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SUBJECT: KAZAKHSTAN: PRESIDENT NAZARBAYEV DISCUSSES
BILATERAL RELATIONS, ENERGY, REGIONAL ISSUES WITH A/S
BOUCHER

REF: 07 ASTANA 2933 (NOTAL)

Classified By: Ambassador John Ordway, Reasons 1.4 (b) and (d)

Summary

¶1. (S) President Nazarbayev thanked Assistant Secretary Boucher for U.S. support for Kazakhstan's OSCE chairmanship bid during a February 11 meeting. (Septel provides details of their discussion of the commitments on democratic reform that Kazakhstan made at the OSCE Madrid ministerial.) Nazarbayev said Prime Minister Masimov's March visit to the U.S. would advance the bilateral strategic partnership, and promised that Masimov would reaffirm Kazakhstan's support in Iraq and Afghanistan. Nazarbayev praised U.S. support for the Kazakhstani military, in particular the Huey-II program. He expressed doubts about expansion of the CPC pipeline, explaining that Kazakhstan would continue to seek alternative transportation options. Nazarbayev stressed that Kazakhstan strongly supported the UN Security Council resolutions on Iran, and recounted his own efforts to press Iran to comply with them. End Summary.

OSCE and Path to Europe

¶2. (C) During a February 11 meeting in Astana, President Nursultan Nazarbayev expressed appreciation to visiting Assistant Secretary of State Richard Boucher for U.S. support for Kazakhstan's successful bid for the 2010 chairmanship of the Organization for Security and Cooperation in Europe (OSCE). In preparing for the chairmanship, Kazakhstan would implement a "Path to Europe" program -- which Nazarbayev had announced in his February 6 state of the nation speech -- aimed at enhancing cooperation with Europe. Nazarbayev affirmed that Kazakhstan had begun the process of fulfilling the commitments on democratic reform it had made at the Madrid OSCE ministerial. Boucher pressed for full implementation and said "we will walk the Path to Europe with you." (See septel for further details.)

Prime Minister's U.S. Visit, Bilateral Relations

¶3. (C) Nazarbayev told Boucher that Prime Minister Masimov's March visit to Washington would advance the bilateral strategic partnership. Masimov, he noted, will launch Public-Private Partnership Initiative (PPPI) to elevate our economic dialogue. The visit will also be an opportunity to discuss the development of trans-Caspian transportation routes for oil and gas. Nazarbayev promised that Masimov

would reaffirm Kazakhstan's continued support in Iraq and its commitment to participate in Afghan reconstruction.

¶14. (C) Boucher noted that bilateral relations have become more dynamic since Nazarbayev's September 2006 visit to Washington. President Bush and Secretary Rice are committed to further strengthening our strategic partnership over the coming months. We want to build on the momentum of recent achievements, Boucher explained. We concluded a good five-year military cooperation program at the recent Bilateral Defense Consultations. Extension of the Cooperative Threat Reduction (CTR) agreement is an important achievement. Kazakhstan's successful restructuring of the Kashagan consortium may create additional opportunities for energy cooperation.

¶15. (C) Nazarbayev hailed U.S. support for Kazakhstan's military, in particular, U.S. provision of Huey-II helicopters. He also thanked Boucher for the continuation of robust bilateral nonproliferation cooperation. Nazarbayev said that Kazakhstan would welcome a visit by President Bush in 2008.

Energy

¶16. (C) Nazarbayev told Boucher that he did not expect an expansion of the Caspian Pipeline Consortium (CPC) pipeline. For that reason, Kazakhstan is looking at alternative transportation options. Nazarbayev explained that Kazakhstan is working with the other Caspian littoral states on a Caspian delimitation agreement which he hoped would be signed at their 2008 summit meeting in Baku. Nazarbayev welcomed

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U.S. support for Kazakhstan's efforts to work more closely with Turkmenistan on Caspian energy development.

Regional Integration

¶17. (C) Boucher affirmed that U.S. will continue to support Central Asia regional integration through the development of stronger energy, trade, and transportation links. Nazarbayev said that economic integration among the Central Asian countries is difficult because of Soviet-era legacies as well as the post-Soviet experiences. Russia blocked his earlier initiative to form a Central Asia union. Kazakhstan could sign a three-party agreement with Tajikistan and Kyrgyzstan, but does not want to leave Turkmenistan and Uzbekistan behind. Kazakhstan welcomes U.S. support as it continues to press forward on its regional integration efforts, Nazarbayev explained.

Uzbekistan

¶18. (C) Boucher noted that the U.S. has been receiving signals from Tashkent that Uzbekistan wants to improve relations with the U.S. He asked whether President Nazarbayev detected any signs that Uzbek President Karimov is reassessing relations with Washington. Nazarbayev could not confirm whether there were any indications of a shift in Karimov's views, but in any case, he said, Karimov can not go against his promises to Russia, which no one had forced him to make. Nazarbayev noted that it is in Karimov's nature to constantly change his ideas. Nazarbayev recalled that during his September 2006 White House meeting with President Bush he had stressed the importance of the U.S. improving relations with Uzbekistan.

Iran

¶ 9. (S) Nazarbayev recounted his October 2007 meetings in Tehran with Iranian President Ahmadinejad and Supreme Leader Khomenei in which he pressed Iran to reverse its reckless nuclear policy. He had urged Iran to step back and comply with the UN Security Council resolutions. If sanctions on Iran are lifted, Kazakhstan and Iran could then engage in trade and energy cooperation, Nazarbayev told his Iranian interlocutors. Ahmadinejad responded to Nazarbayev that Iran would not back down. If Iran complied with U.S. demands, Washington would only come up with new reasons to confront Tehran. Iran would agree to open talks with the U.S., but without any preconditions, Ahmedinejad claimed. (See reftel for further details.)

¶ 10. (C) Nazarbayev said he had asked the Chinese whether they would work to persuade Iran to step back from its policy. Boucher noted that China prefers not to take the lead in resolving international disputes. The U.S., however, is trying to keep China engaged on Iran through the UN Security Council process. Nazarbayev said that Kazakhstan strongly supports the UN Security Council resolutions on Iran. He stressed that Kazakhstan will continue to support U.S. policy towards Iran, though this is a delicate issue for Kazakhstan because of its relations with Russia and China.

Russia

¶ 11. (C) Nazarbayev told Boucher that in his numerous conversations with Russian President Putin, he has stressed that a nation is a great power not because of its energy resources, but because of its positive contributions to global developments. Nazarbayev has encouraged Putin to shift his policy towards the West now that he has established prosperity and stability in Russia.

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